



CITY OF MORRO BAY

CITY HALL

595 Harbor Street
Morro Bay, CA 93442

Memorandum For City Council, Staff and the Public

Date: April 5, 2017

Subject: FY2017-2018 Goals and Objectives

1. **Purpose.** The purpose of this document is to identify City of Morro Bay Goals and Objectives for the Budget Year July 2017 – June 2018.
 - a) The City of Morro Bay strategic planning framework, adopted by the City Council on December 8, 2015, directs the timing for development of City Goals and Objectives.
 - b) In accordance with that policy, the City conducted a goal setting process in January and February 2017 that included Council Study Sessions, a Community Goals Forums, a Council Meeting discussion and a further special Council work session to develop a new set of long term goals and budget year objectives. The 2017-18 Goals and Objectives were approved by Council on April 11, 2017.
 - c) The objectives under each goal identify a number of specific objectives the City intends to accomplish in the July 2017 to June 2018 budget year. Accomplishing these objectives, however, is dependent on adequate resourcing – both staff time and money. Thus, some objectives may not be completed if adequate resources are not allocated during the fiscal year 2016/2017 budget process.
2. **Goals and Objectives.** Following are the City of Morro Bay's four long-term goals and subordinate program objectives for budget year 2017-18:

Goal #1 (Essential Goal) – Achieve Economic and Fiscal Sustainability

Description: This essential goal recognizes the City has been living within our means, but is not currently able to fund all basic services and requirements at the level appropriate for a community of our size. It also recognizes the importance of strengthening and maintaining strong financial management practices. Due both to our previous inability to fund important services such as street paving and replacement of key facilities, and the lack of an adequate General Fund capital budget, plus the impact of recent cost concerns - especially escalating CalPERS costs - we are unable to continue living as we have in the past. This goal centers around economic development and fiscal actions (revenue enhancement, public funding measures, cost control, and sound fiscal management practices) that target a 25% increase in projected revenues from the end of FY17 to the end of FY25.

Duration: This is an 8-year goal - the City intends to achieve fiscal sustainability by 2025.

Focus: This goal includes objectives related to revenue enhancement, general economic development, cost control, and assurance of sound financial management practices are in place.

- a. Consider the proposed strategies in the Economic Development Strategic Plan and act on those most likely to generate revenues in the near term. In considering all the following objectives and working with local and regional businesses and groups: promote a balanced economic development approach that retains, expands, and attracts businesses for a strong, stable, complementary, and diverse business environment that honors the character of our community and is consistent with our Community Vision.
- b. Pursue opportunities and relationships that are likely to result in the revitalization and redevelopment of important properties including the Morro Bay Power Plant, the existing wastewater treatment plant site, Morro Bay Elementary School, and the Morro Bay Aquarium lease site. Take proactive action to facilitate the revitalization of underused and vacant parcels in all commercial districts.
- c. Evaluate and implement opportunities to increase TOT revenues including, but not limited to:
 - 1) Take appropriate action, including implementation of specific programs, to increase shoulder-season and off-season TOT-producing visitor nights by 10% over FY16 levels.
 - 2) Research and bring to Council for decision incentive programs, including a TOT rebate program, that would reasonably result in the renovation of some existing hotel stock and deliver higher average daily rates and thus higher TOT revenues.
 - 3) Facilitate private revitalization / redevelopment activities that will result in planning approval for a 3% increase in number of hotel rooms in the City, with priority placed on 3 and 4-star properties to better balance our hotel stock.
- d. Evaluate opportunities for new or expanded revenue sources, including, but not limited to: paid parking, marijuana associated revenues, other tax measures and a review of City fees.
- e. Considering Council direction to identify no less than \$400K of cost reductions across FY19 and FY20, develop a cost control and reduction plan to achieve these cuts, including a complete review of staffing levels and non-labor costs in all departments.
- f. Develop a staff-internal emergency cost reduction plan to inform future fiscal emergencies.

Goal #2 (Essential Goal) – Complete WRF Project and “OneWater” Program

Description: This essential City goal centers around completion of the City’s Water Reclamation Facility (WRF) and includes implementation of a fiscally conservative, comprehensive water resource policy, program and infrastructure to ensure a sustainable water future. Key items include building the WRF and associated reclamation system,

developing a “OneWater” policy, and diversifying our water supply toward achieving water independence.

Duration: This is a 6-year goal that we intend to complete by July 2023.

Focus: This goal includes objectives related to the Water Reclamation Facility, and “OneWater” planning and implementation.

- a. Complete water/sewer rate study and bring to Council for Prop 218 process consideration any rate increase requirements to fund the proposed WRF.
- b. Following CEQA guidelines, bring the WRF Environmental Impact Report (EIR) to Council for approval and certification.
- c. Complete and submit the State Revolving Fund loan application with the State Water Control Board for the WRF project, to secure funding for the project.
- d. Complete the acquisition of the preferred site for the WRF project.
- e. Take appropriate selection action and bring to Council for approval, a contract for the design-build construction delivery of the new WRF.
- f. Take all appropriate actions, and bring to Council for information/approval, as required, information that will allow the City to make a decision to achieve water independence. Include an evaluation of future options regarding our existing State Water allocation.
- g. Budget for, select a consultant, complete, and bring to Council for initial consideration, a “OneWater” plan for the City that considers all water resources - from storm water to groundwater to waste water - as a single “water resource.”

Goal #3 (Important Goal) - Improve Infrastructure and Public Spaces

Description: This important goal centers around substantially improving the City’s streets, multi-modal transportation infrastructure, facilities and public spaces. The City does not currently have sufficient revenues to fund the capital improvement program required to make substantial and necessary infrastructure improvements and, therefore, this goal is contingent on making significant progress on Goal #1 – Achieve Fiscal Sustainability.

Duration: This is, at minimum, an 8-year goal.

Focus: This goal includes objectives related to streets, bike / pedestrian / parking improvements, City facilities, and beautification of public spaces.

- a. Bring to Council for decision an item to consider adding a street improvement tax measure to the November 2018 ballot.
- b. Bring to Council for information, consideration and possible implementation a review of circulation and parking management plans and options in the downtown and waterfront districts.
- c. Bring to Council for decision proposals that result in a public/private partnership redevelopment of the City-owned “Market Plaza” property consisting of the DiStasios’s parcel, and, if appropriate to be included in redevelopment, the “Front Street” parking lot (below DiStasio’s), and the parking lot at Pacific and Market.

- d. Complete the approved RFQ process for a marine services facility (boatyard) and bring to Council for information and consideration of next steps prior to any decision on feasibility study.
- e. Inventory, evaluate and refresh existing programs for volunteer groups to assist in providing routine maintenance in the City (such as adopt-a-park programs), while soliciting and facilitating additional volunteer group support for routine maintenance (such as park beautification) and small capital projects (such as park bathroom reconstruction).
- f. Closely monitor the maintenance and cleanliness of public facilities and report to council for reprioritization of resources if maintenance is not keeping up with demand.

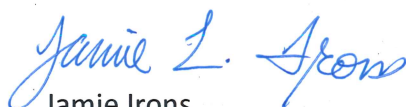
Goal #4 (Important Goal) - Review and Update Significant City Land Use Plans

Description: This important goal centers around completion of the City's General Plan (GP) / Local Coastal Program(LCP) rewrite, and update of other essential land use documents. While the GP is the important task, update of other essential land use plans and master plans is also a priority.

Duration: This is a 2-year goal that should be complete by summer 2019.

Focus: This goal includes objectives related to completion of the GP/ LCP and other important planning documents.

- a. Complete the GP/ LCP rewrite no later than August 2018.
- b. Complete the zoning code update approved and started in FY17.
- c. Ensure affordable housing and vacation rental challenges are addressed in the GP/LCP process and all land use planning.
- d. Bring to Council for consideration the results of Code Enforcement outreach on existing codes related to fences and hedges, and boat, RV and trailer parking / storage on City streets and neighborhoods to determine whether to keep, or modify, related existing ordinances.
- e. Bring to Council for adoption a rewrite of the secondary unit ordinance (updated in FY16) based on changes in State law.
- f. Begin community outreach and Council discussion on future use of the 26-acre Atascadero Road site (location of the existing WWTP) to be prepared to begin master planning that site in FY19.
- g. Explore, in public meetings with city residents, opportunities to protect important scenic, recreational, natural and agricultural resources on the Estero Marine Terminal site and surrounding lands in partnership with land conservation organizations.



Jamie Irons
Mayor



David Buckingham
City Manager